

NEW FOR 2000

FILING REQUIREMENTS MODIFIED

Trusts that do not have a federal filing requirement are no longer required to file an Idaho return.

CREDIT FOR CONTRIBUTIONS TO YOUTH AND REHABILITATION FACILITIES EXPANDED

Donations made on or after January 1, 2000, to a substance abuse center licensed by the Idaho Department of Health and Welfare will qualify for the credit for contributions to youth and rehabilitation facilities.

CREDIT FOR QUALIFYING NEW EMPLOYEES

A credit for qualifying new employees is available effective for tax years beginning on or after January 1, 2000. A qualifying new employee is an individual who is subject to Idaho income tax withholding, employed by the taxpayer in a revenue-producing enterprise, and covered for unemployment insurance

purposes under the Idaho Code. For purposes of this credit, a revenue-producing enterprise means a business that produces, assembles, fabricates, manufactures, or processes a natural resource product.

EXPANDED INVESTMENT TAX CREDIT

For tax years beginning on or after January 1, 2000, the investment tax credit has been expanded. You can now use the credit to offset up to 50% of your tax liability. In addition, the credit carryover has been increased to 14 years. This increase in the carryover period applies both to credit earned in tax years beginning on or after January 1, 2000, and to any credit carryover that is available to be carried over into tax years beginning on or after January 1, 2000. The extended carryover period does not apply to credit that expired in its seventh year prior to tax years beginning on or after January 1, 2000.

GENERAL INFORMATION

WHO MUST FILE FORM 66

A fiduciary (guardian, trustee, executor, administrator, receiver, conservator, or any person acting in a position of trust or fiduciary capacity for any other person or group of persons) must file an Idaho income tax return on Form 66 for:

- A resident estate with gross income (as defined in Internal Revenue Code (IRC) Section 61(a)) of \$600 or more for the current tax year;
- A nonresident estate with gross income (as defined in IRC Section 61(a)) from Idaho sources of \$600 or more for the current tax year;
- A resident trust that is required to file a federal return, including a grantor trust, with gross income (as defined in IRC Section 61(a)) of \$100 or more for the current tax year;
- A nonresident trust that is required to file a federal return, including a grantor trust, with gross income (as defined in IRC Section 61(a)) from Idaho sources of \$100 or more for the current tax year; or
- An estate of a resident individual involved in bankruptcy proceedings under chapter 7 or 11 of Title 11 of the U.S. Bankruptcy Code with gross income (as defined in IRC Section 61(a)) of \$3,300 or more.

RESIDENCY OF ESTATES

An estate is treated as a resident estate if the decedent was domiciled in Idaho on the date of his death. If the estate is other than an estate of a decedent, it is treated as a resident estate if the person for whom the estate was created is a resident of Idaho. If the estate does not qualify as a resident estate, it is treated as a nonresident estate.

A nonresident estate reports income earned from Idaho sources in the same manner as though the taxpayer was a nonresident individual.

RESIDENCY OF TRUSTS

A trust is treated as a resident if three or more of the following occur in Idaho:

- Domicile or residency of the grantor;
- Creation of the trust;
- Existence of trust property;
- Domicile or residency of the trustees; or
- Administration of the trust. Administration of the trust includes conducting trust business, investing assets, making policy decisions, record-keeping, or filing of tax returns.

If the trust does not qualify as a resident trust, it is treated as a nonresident trust.

A nonresident trust with income earned from Idaho sources must report such income to Idaho in the same manner as though the taxpayer was a nonresident individual. No distinction is made between living trusts (created by the grantor and funded during his lifetime) and testamentary trusts (becoming operative upon the death of the grantor). If a trust is not required to file a federal return, it is not required to file an Idaho return.

OTHER RETURNS THAT MAY BE REQUIRED

An Idaho individual income tax return, Form 40 or Form 43, may be required for the last tax year of a decedent or for a beneficiary of a guardianship trust or estate. Refer to the Idaho Individual Income Tax booklet for filing requirements.

If Form 1041-A or 5227 is required for federal income tax purposes, file a copy of that form with the Tax Commission. Mark the copy "Idaho Information Copy."

GRANTOR TRUSTS

Trust income taxable to the grantor or another person under IRC Sections 671 through 678 is not taxed on a fiduciary return. However, the income information must be shown on a separate statement attached to Form 1041. Attach a copy of that information statement to Form 66. Also attach a supplemental statement to Form 66 showing Idaho additions and subtractions to federal taxable income.

HOW TO FILE

A complete copy of the federal income tax return must be attached to the Idaho income tax return. All Schedules K-1 must be attached to the return or submitted with the return on microfiche. Failure to attach a complete copy of the federal return may cause the return to be delinquent.

The return must be signed by the fiduciary or officer representing the fiduciary.

Round the amounts on the return to the nearest whole dollar.

WHERE TO FILE

Mail the return and payment to:

IDAHO STATE TAX COMMISSION
PO BOX 56
BOISE ID 83756-0056

GENERAL INFORMATION

DUE DATE OF RETURN

Your return is due on or before the 15th day of the fourth month following the close of your tax year. For a calendar year filer, this is April 15. If the last day for filing a return falls on a Saturday, Sunday or legal holiday, the return is timely if it is filed on the next work day.

EXTENSION OF TIME TO FILE

If you cannot file your return by the due date, Idaho allows you an automatic six-month extension of time to file. To avoid paying a penalty, the amount of tax payments you have made must be at least 80% of the tax due or 100% of the total tax reported last year. Use Form 41EXT to make your payments. Even though an extension gives you more time to file, the tax is due on the original due date of the return. When you file your income tax return, the extension period expires and any remaining tax due must be paid. You must pay interest on any tax due.

Failure to pay the required amount by the original due date will result in a 2% per month penalty from the original due date to the earlier of the date paid or the extended due date. A 5% per month penalty will also be computed on the tax due from the extended due date to the date of payment if the return is not filed. The maximum penalty is 25%.

ELECTRONIC FUNDS TRANSFERS

Tax payments of \$100,000 or more must be paid by electronic funds transfer. If you are making an electronic funds transfer for the first time, contact the Tax Commission at (208) 334-7515 for further information.

PAYMENTS

Make your check or money order payable to the Idaho State Tax Commission and attach it to the tax return.

TAX DUE FOR NONFILING BENEFICIARIES

An individual beneficiary may elect to have the estate or trust pay the tax on his income from that estate or trust. The estate or trust will be taxed on such income at the corporate rate of 8%. An individual cannot make the election if he meets the Idaho filing requirement and must report other income that is not subject to this election. Permission from the Tax Commission is not required.

If an individual who meets the Idaho filing requirement does not make the election, and does not file his Idaho individual income tax return or does not pay the tax due, the estate or trust will be taxed on the income at the corporate rate.

PERMANENT BUILDING FUND TAX

An estate or trust required to file an Idaho income tax return must pay the \$10 permanent building fund tax if all the income has not been distributed to beneficiaries. An estate or trust is also required to pay the permanent building fund tax for each individual beneficiary who meets the Idaho filing requirement but does not report his distributable income on an Idaho individual return.

PENALTIES AND INTEREST

Penalties may be imposed on the tax due as follows:

- 0.5% per month or fraction of a month to a maximum of 25% for failure to pay the tax due (if return is filed)
- 2% per month or fraction of a month for failure to meet the extension criteria (the return and taxes must be paid by the extended due date)
- 5% per month or fraction of a month to a maximum of 25% for failure to file the return timely
- 5% for negligence or disregard of rules
- 10% for substantial understatement of tax
- 50% for filing a false or fraudulent return

The minimum penalty is \$10.

Interest applies on delinquent tax from the due date of the return until the tax is paid at the rate of 8% per year (rate effective 1-1-2001 to 12-31-2001).

TAX PREPARER CONTACT BOX

A tax preparer contact box is located directly above the signature box. This box applies only if you paid a tax preparer to complete your return. If you check the box, you are authorizing the Tax Commission to contact your preparer to resolve any questions related to your return.

This authorization is valid for up to 180 days from the date the Tax Commission receives the return. If you want the Tax Commission to contact you rather than your preparer, leave the box blank.

PERIOD/TAX YEAR COVERED BY RETURN

Use the 2000 form to file your tax return for calendar year 2000 or the fiscal year beginning in 2000.

ACCOUNTING PERIOD

You must use the same accounting period as that used for federal tax purposes. A change to the annual accounting period must have prior approval from the Internal Revenue Service. Attach a copy of the federal approval on Form 1128, Application to Adopt, Change, or Retain a Tax Year, to your return.

ACCOUNTING METHODS

You must use the same accounting method as that used for federal tax purposes. A change of accounting method must have prior approval from the Internal Revenue Service. Attach a copy of the federal approval on Form 3115, Application for Change in Accounting Method, to your return.

AMENDED RETURNS

If you discover an error on your return after it is filed, do not file the same form again. Use a Form 41X, Amended Business Income Tax Return, to make the necessary corrections. If you amend your federal return, an amended Idaho income tax return must be filed. The statute of limitations for receiving a refund is three years from the due date of the return or the date the return was filed, whichever is later.

FEDERAL AUDIT

If your federal taxable income or tax credits change because of a federal audit, you must send written notice to the Tax Commission within 60 days of the final federal determination. You must include copies of all schedules supplied by the Internal Revenue Service. If you owe additional Idaho tax and do not send written notice within 60 days, a 5% negligence penalty will be imposed. Interest applies on any tax due. If the final federal determination results in an Idaho refund and the statute of limitations is closed, you have one year from the date of the final determination to file for the refund.

NET OPERATING LOSSES

An estate or trust incurs an Idaho net operating loss in a year when its Idaho taxable income is less than zero. Net operating losses incurred in activities not taxable by Idaho may not be subtracted.

For tax years beginning on or after January 1, 2000, the net operating loss generally must be carried back to the two preceding years. The carryback is limited to a maximum of \$100,000. Any remaining loss may be carried forward until used, but no longer than 20 years.

For tax years beginning prior to January 1, 2000, the net operating loss generally must be carried back to the three preceding years. Any remaining loss may be carried forward until used, but no longer than 15 years.

GENERAL INFORMATION

The fiduciary can elect to forego the Idaho carryback provisions and carry the loss forward. This Idaho election must be made before the due date, including extensions, of the loss year return. To make the Idaho election, attach a statement to the loss year return identifying the fiduciary's name, address, em-

ployer identification number, the amount of the net operating loss, and a statement that the fiduciary is electing to forego the Idaho carryback provision. A federal election will not be accepted for Idaho purposes.

FORM 66 SPECIFIC INSTRUCTIONS

Instructions are for lines not fully explained on the form.
General information instructions beginning on page 1 also apply to this form.

HEADING

File the 2000 return for calendar year 2000 or a fiscal year that begins in 2000. For a fiscal year, fill in the tax year space at the top of the form.

If you received a preaddressed label that is in error, correct the label and place it over the name and address area of the return. If you did not receive a preaddressed label, type or print the estate/trust name, fiduciary name and title, address, and federal employer identification number in the space provided.

QUESTIONS 1 THROUGH 5

Mark the appropriate box and provide the requested information. Each question must be answered or the return will be considered incomplete. Incomplete returns will cause processing delays.

Question 1 NEXT YEAR'S FORMS

If the fiduciary does not need income tax forms mailed to it next year, check the "No" box.

Question 2 ESTATES

If the fiduciary is filing Form 66 for an estate, complete questions a through d. Otherwise, go to question 3.

- Enter the social security number of the decedent.
- Enter the decedent's date of death.
- If the decedent was a resident of Idaho on the date of his death, check the "Yes" box.
- If box c is checked "No," enter the decedent's state of residence on the date of death.

Question 3 RESIDENT/NONRESIDENT BENEFICIARIES

If any beneficiary of the estate or trust is not a resident of Idaho, check the "Yes" box. A beneficiary is an Idaho resident if:

- Domiciled for the entire year in Idaho even though temporarily outside of Idaho.
- Has a home in Idaho for the entire year and spends more than 270 days in Idaho during the tax year.

Question 4 FINAL RETURN

If this is the final return for Idaho for the estate or trust, check the "Yes" box.

Question 5 RESIDENCY STATUS OF ESTATE OR TRUST

If the estate or trust is a resident of Idaho, check the "Yes" box. Refer to the General Instructions to determine if the estate or trust is a resident or nonresident entity.

LINE 6 ADJUSTED TOTAL INCOME (LOSS)

If you check the "Yes" box for question 5, enter the amount of federal adjusted total income (loss) from Form 1041, line 17. If you check the "No" box, enter the amount from Schedule A, page 2. See instructions for Schedule A on pages 4 and 5.

LINE 7 INTEREST AND DIVIDENDS NOT TAXABLE UNDER FEDERAL LAW

Enter the interest and dividends net of applicable amortization received or accrued from obligations of any other state or politi-

cal subdivision excluded from federal taxable income under the provisions of the Internal Revenue Code. Attach a schedule.

LINE 8 STATE INCOME TAXES

Enter the amount of state income taxes deducted in arriving at federal adjusted total income that were not distributed. The fiduciary must provide the beneficiary with the necessary information if a portion of the state income tax deduction was distributed and not included on this line.

LINE 10 IDAHO NET OPERATING LOSS

Enter the Idaho net operating loss carryover. Attach a schedule detailing the computation of the loss and prior loss application.

LINE 11 INCOME EXEMPT FROM IDAHO TAX

Enter the amount of interest income received from obligations of the U.S. Government (U.S. Savings Bonds, etc.) not distributed. Expenses related to the production of this income will reduce the amount you enter here. In addition, this amount should be adjusted to reflect the estate tax deduction on line 14 attributed to income exempt from Idaho tax. The fiduciary must provide the beneficiary with the necessary information if a portion of this adjustment was distributed. Attach a schedule showing your computations.

LINE 13 INCOME DISTRIBUTION DEDUCTION

Enter the amount of the deduction for distributions to beneficiaries. Attach a schedule showing the computation if different from the federal deduction.

LINE 14 ESTATE TAX DEDUCTION

Enter the deduction for federal estate tax attributable to income in respect of a decedent. If the income in question has been distributed, only the fiduciary's pro rata share may be deducted. Refer to the instructions, federal Form 1041. If any or all of the estate tax is attributed to income which is exempt from Idaho tax, a special Idaho adjustment must be made to add back a pro rata share of the deduction. Attach a schedule showing the computation.

LINE 16 EXEMPTION

If the estate or trust distributes all its income to the beneficiaries and is electing to report the income distribution and pay the tax for the beneficiaries, enter zero on line 16.

If all income is reported to Idaho, enter the federal exemption from Form 1041, line 20.

If only part of the income is reported to Idaho, enter the amount from line 6 of the following computation:

- Federal taxable income, line 22, Form 1041, as adjusted for amounts shown on lines 7 through 11, Form 66.
- Federal exemption, line 20, Form 1041.
- Add lines 1 and 2.
- Enter amount from line 15, Form 66.
- Divide line 4 by line 3. %
- Exemption. Multiply line 2 by line 5.

FORM 66

LINE 19 CREDIT FOR TAXES PAID TO ANOTHER STATE

This credit only applies to resident or part-year resident estates or trusts.

An Idaho estate or trust must report all of its income regardless of where it was earned. If the estate or trust is also taxed by another state on income reported on the Idaho return, it is entitled to a credit against the Idaho tax.

To calculate the credit for taxes paid to other states, complete a separate Schedule B on page 2 for each state. You must attach a copy of the other state's tax return to your Idaho return.

LINE 20 OTHER CREDITS

Enter on line 20 the total of "Other Credits" as determined on Schedule C, page 2 of Form 66. Instructions for Schedule C are on pages 5 and 6.

LINE 22 INCOME DISTRIBUTION NOT REPORTED TO IDAHO

Determine the amounts from lines 12 and 13 that the beneficiaries elect to report on the fiduciary return. Individual beneficiaries who have no other income reportable to Idaho and are required to file an Idaho income tax return may elect to report the income distribution from the estate or trust on the fiduciary return.

LINE 23 TAX ON INCOME DISTRIBUTION

If a beneficiary elects to have the trust or estate pay the tax on his income distribution, this income is taxed at the corporate rate of 8%. Any credits from the estate or trust that flow through to the beneficiary may be used to offset the tax attributable to that beneficiary. Attach a schedule showing this computation.

LINE 24 PERMANENT BUILDING FUND TAX

A trust or estate that meets the Idaho filing requirement and does not distribute all its income is required to pay the \$10 permanent building fund tax. A trust or estate is also required to pay the permanent building fund tax for each individual beneficiary who is required to file, but does not file an Idaho individual income tax return. A nonresident individual beneficiary is required to file if his share of the estate's or trust's gross income is more than \$2,500. If all the income has been distributed to beneficiaries who file Idaho income tax returns, the trust or estate does not owe this tax.

LINE 25 SPECIAL FUELS TAX DUE

If you buy special fuels (diesel, propane, natural gas) without paying the special fuels tax and later use this fuel in licensed vehicles or in aircraft, special fuels tax is due. Enter the amount from line 11, Form 75. Attach Form 75.

LINE 26 RECAPTURE OF IDAHO INVESTMENT TAX CREDIT

If you have claimed an investment tax credit on property that ceases to qualify before the end of its estimated useful life, you must recompute the investment tax credit. The difference between the original credit and the recomputed credit must be recaptured. Attach Form 49R.

LINE 28 ESTIMATED TAX PAYMENTS

Enter the total amount of estimated tax payments.

LINE 29 IDAHO INCOME TAX WITHHELD

Enter the amount of Idaho income tax withheld and not repaid by an employer on wages and salaries of a decedent's estate. Attach state copies of W-2s.

LINE 30 SPECIAL FUELS TAX REFUND

The special fuels (diesel, propane, natural gas) tax refund is available to those who use the fuel for heating or in off-highway equipment and have paid the tax on the special fuels purchased. Enter the amount from line 5, Form 75. Attach Form 75.

LINE 31 GASOLINE TAX REFUND

The gasoline tax refund is available to those who buy and use gasoline in off-highway equipment or auxiliary engines. Enter the amount from line 4, Form 75. Attach Form 75.

LINE 34 PENALTY AND INTEREST

Penalty: If the trust or estate files a return after the due date or fails to pay the required amount by the due date, a penalty may be due. To avoid paying any penalty, the trust or estate must:

- pay by the original due date at least 80% of the tax due on the return or 100% of the total tax reported last year, and
- file the return and pay the tax due by the extended due date.

If the trust or estate pays at least 80% of the tax due on the return or 100% of the total tax reported last year by the original due date, but fails to file the return or pay the remaining tax by the extended due date, the following penalties apply:

- If the return is filed on or before the extended due date, a 0.5% per month late payment penalty will be computed on tax due from the extended due date to the date of payment, or
- If the return is filed after the extended due date, a 5% per month late filing penalty will be computed on tax due from the original due date to the date the return is filed.

If the trust or estate does not pay at least 80% of the tax due on the return or 100% of the total tax reported last year by the original due date, the following penalties will apply:

- If the return is filed by the original due date, a 0.5% per month late payment penalty will be computed on tax due from the date the return is filed to the date of payment.
- If the return is filed on or before the extended due date and the tax is paid on or before the extended due date, a 2% per month extension penalty will be computed on tax due from the original due date to the earlier of the date the tax is paid or the date the return is filed, plus a 0.5% per month late payment penalty will be computed on tax due from the date the return is filed to the date the tax is paid, if the tax is paid after the return is filed.
- If the return is filed on or before the extended due date but the tax is paid after the extended due date, a 2% per month late filing penalty will be computed on tax due from the original due date of the return to the date the return is filed, plus a 0.5% per month late payment penalty will be computed on tax due from the date the return is filed to the date the tax is paid.
- If both the return is filed and the tax is paid after the extended due date, a 5% per month late filing penalty will be computed on tax due from the original due date of the return to the earlier of the date the return is filed or the date the tax is paid.

The minimum penalty is \$10. The maximum penalty is 25% of tax due.

Interest: Interest is charged on the amount of tax due, line 33, from the original due date until paid. The rate for 2001 is 8%.

LINE 38 ESTIMATED TAX

You have the option of applying all or a portion of the overpayment listed on line 36 as a credit against your 2001 estimated tax. The amount you list on this line plus the amount on line 37 must equal the overpayment listed on line 36. If you listed the total overpayment as the amount you want refunded to you on line 37, you must enter zero on this line.

SCHEDULE A

The income of a nonresident estate or trust includable for Idaho fiduciary income tax purposes is that portion of its federal taxable income derived from Idaho sources as defined as follows.

LINES 2 AND 3 INCOME AND CAPITAL GAIN OR LOSS DERIVED FROM IDAHO SOURCES

Include those items includable for federal fiduciary income tax purposes attributable to, or resulting from, ownership in Idaho of any interest in real or tangible personal property (including real property or property rights from which "gross income from mining" as defined by IRC Section 631(c) is derived); or the carrying on of a trade, business, profession or occupation in Idaho.

To determine income or capital gain or loss derived from Idaho sources:

1. Income from intangible personal property, including annuities, dividends, interest, and gains from the disposition of intangible personal property, shall constitute income derived from Idaho sources only to the extent that the income is derived from property employed in a trade, business, profession or occupation carried on in Idaho.
2. Deductions with respect to capital losses, net long-term capital gains, and net operating losses shall be based solely on income, gain, loss and deduction connected with Idaho sources. However, salaries, wages, commissions and compensation for personal services rendered outside the state of Idaho shall not be deemed as derived from Idaho sources.
3. A nonresident beneficiary's distributive share of income, gain, loss and deduction derived from or connected with Idaho sources shall be determined under Idaho Code, Section 63-3026A.
4. If a trade, business, profession or occupation is carried on partly within and partly without Idaho, items of income, gain, loss and deduction derived from or connected with Idaho sources shall be determined in accordance with the provisions of Idaho Code, Sections 63-3026A and 63-3027.
5. Deductions with respect to passive activity losses derived from Idaho sources shall be allowed to the extent they are allowed as a deduction on your federal income tax return. To determine the amount of your Idaho passive activity loss deduction, compute the federal passive loss allowed for each passive activity. Your Idaho passive activity loss deduction for each passive activity carried on in Idaho will be the amount that you deducted to arrive at federal taxable income or (loss).

Enter the amount of estate or trust income derived from Idaho sources on Schedule A, line 2. Enter the amount of Idaho capital gain or loss on Schedule A, line 3.

LINE 6 DEDUCTIONS DIRECTLY ALLOCABLE TO IDAHO INCOME

Enter the amount of deductions directly allocable to Idaho income. Amounts directly allocable to Idaho income include but are not limited to:

- depreciation and depletion on Idaho properties;
- interest and taxes pertaining to Idaho property;
- capital gain deductions or expenses on Idaho capital gains or losses;
- estate tax deductions pertaining to Idaho income.

LINE 7 DEDUCTIONS NOT DIRECTLY ALLOCABLE TO ANY SPECIFIC INCOME

Enter the amount of deductions not directly allocable to any specific income. Amounts not directly allocable to any specific income include but are not limited to:

- charitable deductions;
- fiduciary fees;
- attorney and account fees.

SCHEDULE C

TAX CREDITS

Tax credits must be computed according to the following instructions and the instructions accompanying the appropriate forms. Credits pass through to beneficiaries in the same manner that income and expenses are distributed.

The limitations on the various credits are computed based on the fiduciary's share of the credit only. The beneficiary's limitation of the various credits is computed on the beneficiary's return based on his share of the credit and his tax liability.

LINE 1 CREDIT FOR CONTRIBUTIONS TO EDUCATIONAL ENTITIES

If the estate or trust donated cash or goods to a qualified educational entity, it may claim a tax credit. The credit is limited to the smallest of:

- one-half of the amount donated,
- 20% of the tax on line 20, or
- \$50

A qualified educational entity includes:

- a nonprofit corporation, fund, foundation, research park, trust, or association organized and operated exclusively for the benefit of Idaho colleges and universities
- a nonprofit, private or public Idaho school (elementary, secondary or higher education) or its foundation
- Idaho education public broadcast system foundations
- the Idaho State Historical Society or its foundation
- an Idaho public library or its foundation
- an Idaho library district or its foundation
- an Idaho public or private nonprofit museum
- the Idaho State Library

LINE 2 IDAHO INVESTMENT TAX CREDIT

If you acquire an asset for use in your business, you may have earned an investment tax credit.

The Idaho investment tax credit earned by an estate or trust passes through to each beneficiary in the same ratio that income is allocated to that beneficiary. When an estate or trust has a fiscal year end other than that of the beneficiaries, the investment tax credit passes through in the same tax period that the income or loss from the estate or trust is required to be reported by the beneficiary for federal tax purposes.

The fiduciary must prepare and distribute to each beneficiary a schedule showing all Idaho income, deductions and tax credits that must be reported on the beneficiaries' individual Idaho income tax returns. Each beneficiary will use this information to determine the amount of Idaho investment tax credit, recapture of credit, and adjustments to the credit carryover to be reported on his Idaho income tax return. Copies of these schedules and Form 49 must be attached to the Idaho Fiduciary Income Tax Return for the year in which the investment tax credit is earned.

Report the allowed credit computed on line 9 or 10, Part II, Form 49, or Line 9, Part II, Form 55. Attach Form 49.

LINE 3 CREDIT FOR CONTRIBUTIONS TO YOUTH AND REHABILITATION FACILITIES

If the estate or trust donated cash or goods to a qualified center for independent living, to a youth or rehabilitation facility or their foundations, or to a nonprofit substance abuse center licensed by the Idaho Department of Health and Welfare, it may claim a tax credit. The credit is limited to the smallest of:

- one-half of the amount donated,
- 20% of the tax on line 20, or
- \$100

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The qualified youth or rehabilitation facilities and their foundations are:

- Anchor House
- The Arc, Inc., Boise
- The Children's Home Society of Idaho, Inc., Boise
- Dawn Enterprises, Inc., Blackfoot
- Development Workshop, Inc., Idaho Falls
- High Reachers, Inc., Mountain Home
- Hope House, Inc., Nampa
- Idaho Elks Rehabilitation Hospital, Inc., Boise
- Idaho Youth Ranch
- Magic Valley Rehabilitation Services, Inc., Twin Falls
- New Day Products, Inc., Pocatello
- Northwest (North Idaho) Children's Home
- Opportunities Unlimited, Inc., Lewiston
- Panhandle Special Needs, Inc., Sandpoint
- Transitional Employment Services for the Handicapped, Coeur d'Alene
- Western Idaho Training Co., Inc., Caldwell
- Winchester Occupational Workshop, Winchester

The following are the qualified centers for independent living:

- Disability Action Center Northwest, Moscow and Coeur d'Alene
- Living Independence Network Corporation, Boise and Twin Falls
- Living Independently For Everyone, Blackfoot, Idaho Falls, and Pocatello

LINE 4 CREDIT FOR PRODUCTION EQUIPMENT USING POST-CONSUMER WASTE

If you purchased equipment that manufactures a product from post-consumer or post-industrial waste, you may be entitled to a tax credit. The credit is 20% of your cost to purchase qualified equipment.

Qualified equipment is machinery or equipment in Idaho with a useful life of three years or more. In addition, 90% of the equipment's production must result in products utilizing post-consumer or post-industrial waste.

The credit claimed in a tax year is limited to the lesser of \$30,000 or your tax liability. You may carry forward the unused portion of the credit up to seven years.

Product is any manufactured material that is composed of at least 50% post-consumer or post-industrial waste and offered for sale. Product does not include shredded material unless it is incorporated directly into the manufacturing process.

Post-consumer waste or post-industrial waste includes only glass, paper, or plastic that have been, or would have been, disposed of as solid waste. It does not include radioactive or hazardous waste.

Attach a schedule showing your computations, listing the qualified equipment, identifying the post-consumer or post-industrial waste products, and identifying the newly manufactured products.

LINE 5 NATURAL RESOURCES CONSERVATION CREDIT

If you filed an Application for Natural Resources Conservation Income Tax Credit for Tax Year 2000, enter the amount approved on that application by the Natural Resources Conservation Income Tax Credit Committee. The maximum tax credit allowed cannot exceed \$2,000. You may not claim a credit if you did not file an application or if the credit you requested was not approved.

LINE 6 PROMOTER-SPONSORED EVENT CREDIT

If you issued temporary sales tax permits to participants of a promoter-sponsored event on behalf of the Tax Commission, you may claim a \$1 credit for each temporary permit issued during the tax year. Promoter-sponsored events include swap meets, flea markets, gun shows, and fairs. You must have filed Form ST-124 with the Tax Commission to qualify for the credit.

LINE 7 CREDIT FOR QUALIFYING NEW EMPLOYEES

Idaho allows a credit for qualifying new employees of a trust or estate involved in the producing, assembling, fabricating, manufacturing, or processing of natural resource products. The business must create value-added natural resource products.

Report the allowed credit computed on line 29, Part II, Form 55. Attach Form 55.